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Prepared By: Alice Kwek

Approved By: Timothy Harrison

Report Highlights:

Singapore has a highly developed and competitive hotel, restaurant and institutional (HRI) industry that is traditionally fueled by robust tourism and receipts. However, tourist receipts saw a drastic fall of 78 percent to \$3.7 billion in 2020 and visitor arrivals by 85 percent to 2.7 million according to the Department of Statistics, Singapore due to the COVID-19 pandemic. In 2020, the food and beverage services index declined by 26 percent, as the sales volume was adversely affected by weak demand due to safe-distancing and capacity measures that are in place. The city-state is 90 percent reliant on food imports for its food supplies. The United States was Singapore's fourth largest supplier of consumer-oriented food and beverage products with total sales of \$657 million.

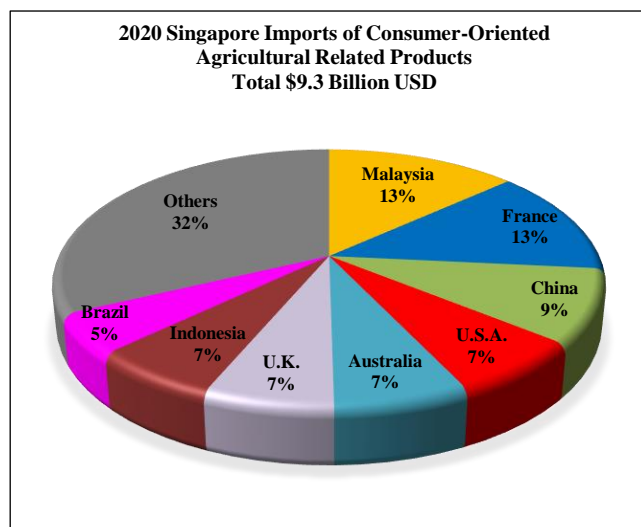
Market Fact Sheet: Singapore

Executive Summary

Singapore's highly developed and competitive HRI industry is driven by robust consumer spending, high disposable incomes, and intense urbanization. The country's trade and regulatory policies are focused on ensuring consistent foreign supply of safe, high-quality food and agricultural products. Singapore's total agricultural and related product imports in 2020 reached \$14.5 billion USD, roughly 10 percent of which was sourced from the United States (Trade Data Monitor).

Imports of U.S. Consumer-Oriented Products

In 2020, the United States was Singapore's fourth largest supplier of consumer-oriented food and beverage products, with total sales reaching \$657 million USD for the year. Top U.S. products in the market include dairy, fresh fruit, processed vegetables, bakery goods, cereals and pasta, poultry, and beef products.



Source: Trade Data Monitor

Retail Foods

Singapore's retail foods sector is highly developed and very competitive, with total sales in 2020 reaching over \$7 billion USD (Euromonitor). The sector is dominated by three key players: NTUC Cooperative, Dairy Farm Group, and Sheng Siong Supermarket Chain.

Food Processing

The Singaporean food processing industry is relatively small. However, almost all raw materials or ingredients used in the processing industry are imported. Total industry output value in 2020 reached almost \$8.5 billion USD.

Hotel, Restaurant, and Institutional

Singapore has a highly developed and competitive hotel, restaurant and institutional (HRI) sector. The sector was badly affected by the COVID-19 pandemic. Visitor arrivals fell by 85 percent to just 2.7 million, and tourism receipts fell by 78 percent to \$3.7 billion in 2020. The F&B industry saw sales pick up at the end of 2020, when restrictions eased; however, with a second wave of infections, restrictions were tightened again with the surge in both imported and local cases in September 2021. The sector has evolved over the course of the past year, with increased digitalization and food deliveries.

Singapore's Macroeconomics

Population: 5.7 million people (2020)

(Source: www.singstat.gov)

Per Capita Income: \$59,798 USD (2020)

(Source: World Bank)

Real GDP Growth: -5.4 percent (2020)

(Source: Ministry of Trade and Industry)

GDP Composition:

- Industry: 24.8%
- Services: 75.2%

(Source: World Factbook)

U.S. Exporter Opportunities and Challenges

Opportunities	Challenges
<p>-The growing Singaporean Retail, Food Processing and HRI sectors are highly dependent on a broad range of imported food products and ingredients.</p> <p>- High disposable incomes drive demand for premium products.</p> <p>- Singapore is a trendsetter and an ideal launch pad for food and beverage concepts.</p>	<p>-The Singapore market is highly competitive and can be very price sensitive for certain products.</p> <p>-China and other regional suppliers have gained significant market share in recent years.</p>
Strengths	Weaknesses
<p>-U.S. food and agricultural products are trusted and perceived to be of high quality.</p> <p>-Top U.S. brands are popular and in strong demand.</p>	<p>-Many U.S. exporters are unfamiliar with the market and are therefore sometimes unable to meet specific requirements and order sizes.</p> <p>-Time commitment for brand building can be significant.</p>

SECTION I. MARKET SUMMARY

MARKET SUMMARY

Singapore has a vibrant and highly competitive hotel, restaurant, and institutional (HRI) sector with a total of 27,704 outlets in five sub-industries, such as cafes/bars, full-service restaurants, limited-service restaurants, self-service cafeterias, and street stalls/kiosks. Singapore's food service industry is highly diverse with a broad range of Asian and Western cuisines widely available. The COVID-19 pandemic and the lockdown measures in 2020 and recent heightened restrictions posed uncertainties on the future of many food service establishments, particularly the smaller independent eateries and hawker stalls.

According to Euromonitor, Singapore's HRI sector is worth about \$6.4 billion USD and is expected to grow by 2.1 percent by 2023. Due to travel/movement restrictions and border closures globally, tourist arrivals and tourist receipts in Singapore have declined drastically: tourist receipts fell from \$21 billion USD in 2019 to \$3.7 billion USD in 2020. Singapore's food service sector (which includes hotels, restaurants, casual dining, fast food outlets and local food stalls) was valued at nearly \$4.8 billion USD in 2020 and had grown steadily from 2016 through 2019 (prior to the pandemic).

Sector Trends

- The COVID-19 pandemic and ensuing travel restrictions have had a severe impact on the Singaporean HRI industry as it is highly dependent on tourism and consumer expenditures. A government funded, "SingapoRediscovered" campaign valued at \$237 million USD helped support tourism-related businesses weather the storms of the COVID-19 pandemic. Under another government support program, hotels are used as quarantine quarters for those serving mandatory quarantine or "stay home notices" for returning Singapore citizens and approved work pass holders, including their dependents. These initiatives have helped hotels maintain a 60-70 percent occupancy level and allowed institutional food caterers to stay afloat.
- Acceleration of digitalization in the foodservice sector: foodservice operators are leveraging digitalization to provide customers with a safe dining experience with cashless payment and contactless menu option offerings.
- Third party food delivery has dramatically increased 45 percent last year, according to Euromonitor, due the lockdown and dining-in restrictions. Hawkers are now turning to food delivery operators such as GrabFood, Deliveroo, and FoodPanda despite having to pay high commission fees of 20-30 percent.
- Health and wellness trends continued to be prevalent in 2021, accelerated by COVID-19, as consumers pay more attention to their wellbeing. Consumers are opting for healthier foods opting for reduced sugar, salt, and/or fat content. Of note: Singapore's Ministry of Health will implement nutri-grade labeling measures and legislation in 2022 to curb sugar consumption.
- Fast and convenient food options are increasingly popular for Singaporeans who are time-strapped, managing working from home and "home-based" learning for school children.
- Plant-based foods are gaining popularity, partly driven by a heightened sense of social, environmental and health awareness triggered by the COVID-19 pandemic. Independent restaurants are offering more vegetarian options, adapting menu options to incorporate plant-based proteins.

- Good food and experiential dining are on the rise for the affluent elite consumers, who had to reduce indulgences as they could not travel due to travel restrictions. Michelin-starred restaurants that offer superior food quality, ambience, and aesthetics reported no shortage of customers; however, the number of such outlets are few.
- International franchise dining chains are highly prevalent and very popular in Singapore. Despite the current situation, U.S. franchise “Eggslut” recently opened its first outlet in the prime district. Popular U.S. franchise “Shake Shack” has opened a total of seven outlets to date.
- Singapore’s hawker culture was recognized by UNESCO as an intangible cultural heritage in 2020. According to Euromonitor, at least 40 percent of meals are taken at hawker centers. Singapore’s hawkers, however, faced the high rental costs, as well as lack of interest for the new generation to continue in the business due to long hours and lower profits.

Advantages and Challenges for U.S. Exporters

Advantages

- U.S. food products are known to be high quality and safe.
- Growing popularity of fast and convenient food options complement procurement systems that source food and beverage products from the United States.
- Singapore is import reliant for its food needs; 90 percent of its foods are imported from 170 countries/regions, including beef, dairy products, fresh fruits, and vegetables.
- The high-end HRI segment maintains high standards of quality and hygiene, which is very positive for U.S. food and beverage prospects.

Challenges

- Imported U.S. products are generally more expensive (rising freight costs in view of the pandemic).
- Extremely high rental and operating costs, including difficulty in hiring workers from neighboring countries due to government's policy on foreign workers.
- Competition remains strong, especially from "traditional" and cheaper food-supplying countries such as Australia, New Zealand, China, Malaysia, and other regional countries that take up significant market share.
- The "Eating Healthier" food trend may impact the quick service industry, which often uses U.S. inputs. Fast food is often associated with eating extra calories (higher fat, sugar and salt content), and is considered junk food.

SECTION II. ROAD MAP FOR MARKET ENTRY

A. ENTRY STRATEGY

Regulatory Compliance

- Analyze Singapore food laws, packaging and labeling requirements, and importer criteria for entry into the Singapore market.
- Detailed information on Singapore regulations and requirements can be found by accessing the FAS/Singapore *Food and Agricultural Import Regulations & Standards Country Report*.

Market Research

- Review the types of U.S. products that can be readily targeted in the market.
- Consider the price competitiveness of U.S. products in comparison with similar products available in Singapore.

Exporter Assistance

- USDA/FAS partners with *State and Regional Trade Associations (SRTG)* and manages a toolkit of market development programs to help U.S. exporters develop and maintain markets. U.S. exporters are encouraged to participate in regional trade shows and trade missions by tapping into the resources offered by State and Regional Trade Associations (SRTG).

Due Diligence

- Select partners/importers carefully and conduct due diligence and background checks to avoid trade conflicts and financial disputes.

Develop Links

- Develop links with local importers that target the HRI. U.S. exporters are advised to appoint local distributors or at least a local representative to help guide them through the requirements of Singapore food regulations and local trading practices.

Market Promotion

- Participate in regional trade shows, e.g. *Food and Hotel Asia 22*, and trade missions by tapping into the resources offered by State and Regional Trade Associations.
- Conduct product promotions and/or demonstrations through online platforms via social media, web-based advertising, etc. to engage with end-users. Partnering food delivery platforms such as Grab, Deliveroo, Foodpanda and restaurant chains by featuring U.S. themed food options .

B. MARKET STRUCTURE

1. Consumer Foodservice: Independent vs. Chain Restaurants by Percent Value

	2015	2016	2017	2018	2019	2020
Chain Foodservice	41.3	42.0	41.9	42.4	42.5	46.1
Independent Foodservice	58.7	58.0	58.1	57.6	57.5	53.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

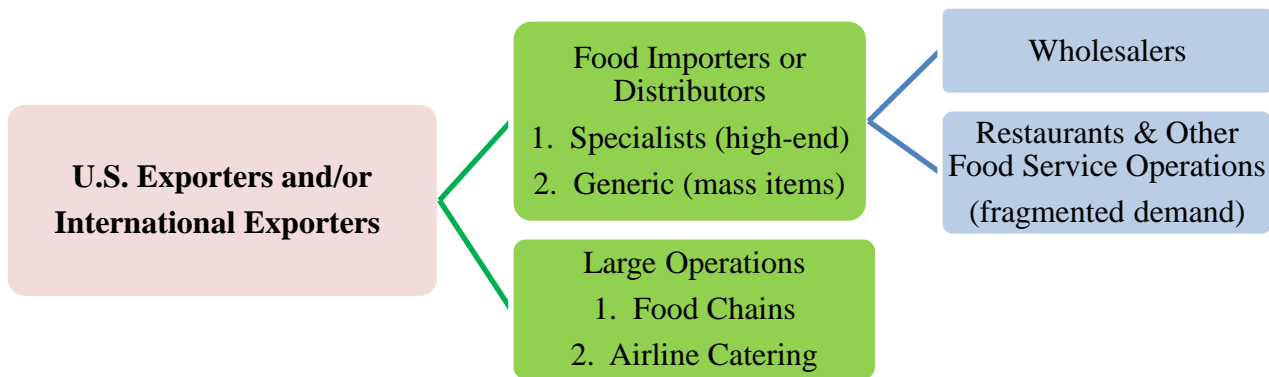
Source: Euromonitor

2. Consumer Foodservice by Independent vs. Chained by Type: Units/Outlets 2020

	Independent	Chained	Total
Cafés/Bars	1,684.0	637.0	2,321.0
Full-Service Restaurants	1,177.0	529.0	1,706.0
Limited-Service Restaurants	63.0	1,627.0	1,690.0
Self-Service Cafeterias	-	7.0	7.0
Stalls/Kiosks	19,896.0	2,084.0	21,980.0
Consumer Foodservice	22,820.0	4,884.0	27,704.0

Source: Euromonitor

C. DISTRIBUTION CHANNELS



- Major Singapore foodservice suppliers/distributors are: [Angliss](#), [Indoguna](#), [Culina](#), [Euraco](#), [Gan Teck Kar](#), [QB Foods](#), [Lim Siang Huat](#), etc.
- Singapore Importers/Distributors have their own cold stores and fleet of refrigerated trucks.

D. SUB-SECTOR PROFILES

- Hotels/Resorts:** There are a total 400 properties providing a total 63,000 rooms (SG Dept. of Statistics) in Singapore. Apart from revenue from providing lodging, a significant portion of revenue is derived from the sale of food and beverages to the public as well. Major upscale hotel brands usually house high-end restaurants. Hotel food and beverage supplies are usually procured from local foodservice suppliers.

The following is a list of international chain hotels and resorts in Singapore:

International Hotel Chains	Website
Accor Hotels	https://www.frhi.com/
Four Seasons Hotels and Resorts	https://www.fourseasons.com/singapore/
Hilton Worldwide	https://www3.hilton.com/en/index.html

Hyatt Hotels Corporation	https://www.hyatt.com/en-US/hotel/singapore/grand-hyatt-singapore/sinrs
Intercontinental Hotel Group	https://www.ihgplc.com/
Marriott International	https://www.marriott.com/hotels/travel/sindt-singapore-marriott-tang-plaza-hotel/
Millennium Hotels	https://www.millenniumhotels.com/en/singapore/
Regent Hotels and Resorts	https://regentsingapore.com.sg/
Shangri-La Hotel and Resorts	http://www.shangri-la.com/en/singapore/shangrila/
Starwood Hotels and Resorts	https://www.marriott.com/default.mi?program=spg
Pan Pacific Hotels and Resorts	https://www.panpacific.com/en/hotels-and-resorts/pp-marina.html
Meritus Hotels and Resorts	https://www.meritushotels.com/en/index.html
Mandarin Oriental Hotel Group	https://www.mandarinoriental.com/

2. Limited-Service Restaurants, Cafés/Bars & Street Stalls/Kiosks

According to Euromonitor, the limited-service restaurants, cafés/bars and street stalls segment or the mass market segment, comprised 75 percent of the foodservice market, valued at \$4.7 billion USD. Players in this segment include chain and casual and fast-food style restaurants. This segment is among the fastest-growing F&B categories in Singapore as it offers convenience and is inexpensive.

Global Brand Shares in Chained Consumer Foodservice: % Foodservice Value 2017-2020

	Global Brand Owner	2017	2018	2019	2020
McDonald's	McDonald's Corp	15.5	15.8	16.3	18.5
KFC	Yum! Brands Inc	5.2	5.2	5.2	5.7
Din Tai Fung	Fairy Rise Development Ltd	3.2	3.6	3.7	3.5
7-Eleven	Seven & I Holdings Co Ltd	2.6	2.5	2.4	3.4
Starbucks	Starbucks Corp	2.6	2.6	2.7	3.0
Pizza Hut	Yum! Brands Inc	2.3	2.3	2.3	2.9
Burger King	Restaurant Brands International Inc	1.7	1.7	1.8	2.6
Subway	Doctor's Associates Inc	2.3	2.4	2.4	2.3
The Coffee Bean & Tea Leaf	Jollibee Foods Corp	-	-	1.8	1.9
Tung Lok Restaurants	Tung Lok Restaurants (2000) Ltd	2.0	2.1	2.1	1.8
Old Chang Kee	Ten & Han Trading Pte Ltd	1.9	2.0	2.0	1.7
Paradise restaurants	Paradise Group Holdings Pte Ltd	1.7	1.6	1.7	1.5
Sushi Express	Sushi Express Group	1.1	1.1	1.2	1.4
KOI Thé	Koi Thé Singapore Pte Ltd	1.2	1.3	1.3	1.3

Swensen's	CoolBrands International Inc	1.5	1.6	1.5	1.2
Crystal Jade	Crystal Jade Culinary Concepts Holding	1.4	1.5	1.4	1.1
Domino's Pizza	Domino's Pizza Inc	0.6	0.7	0.7	1.0
The Soup Spoon	Soup Spoon Pte Ltd,	0.8	0.8	0.8	1.0
Mr Bean	Super Bean International Pte Ltd	0.8	0.9	0.9	1.0
Saizeriya	Saizeriya Co Ltd	0.8	1.0	1.0	1.0
Imperial Treasure	Imperial Treasure Restaurant Group Pte Ltd	1.3	1.1	1.2	0.9
Li Ho	RTG Holdings	0.5	0.8	0.9	0.9
Toast Box	BreadTalk Group Ltd	0.8	0.7	0.8	0.8
Ichiban Boshi	RE&S Holdings Ltd	1.1	1.0	0.9	0.8
Stuff'd	Stuff'd Ventures Pte Ltd	0.4	0.5	0.8	0.8
Long John Silver's	LJS Partners LLC	0.7	0.7	0.7	0.8
Soup Restaurant	Soup Restaurant Group Ltd	0.9	0.9	0.9	0.8
Pastamania	PastaMatrix International Pte Ltd	0.8	0.7	0.6	0.8
4Fingers	4Fingers Pte Ltd	0.7	0.7	0.7	0.8
Ya Kun Kaya Toast	Ya Kun International Pte Ltd	0.6	0.7	0.7	0.7
The Coffee Bean & Tea Leaf	International Coffee & Tea LLC	1.8	1.8	-	-
Others	Others	41.2	39.7	38.3	34.4
Total	Total	100.0	100.0	100.0	100.0

3. Institutional Food Service

Singapore Airport Terminal Services Limited (SATS) is the chief ground handling and in-flight catering service provider at the Singapore Changi Airport that controls about 80% of the airport's ground handling and catering business. SATS food services comprise airline catering, food distribution and logistics, industrial catering as well as linen and laundry services. For commercial catering, SATS provides catering for large scale markets: military, hospitals, food retail stores, and event catering (including MICE - meetings, incentives, conventions and exhibitions events).

The "other" caterers in Singapore are typically small to medium sized private enterprises that provide local and international foods. They typically cater to schools, company events, private and social functions, and factories.

SECTION III. COMPETITION

A. Competition Table

Product Category (2020)	Major Supply Sources (2020)	Foreign Supplier Situation	Local Supplier Situation
Beef and Beef Products Net Imports: \$270 million	1. Brazil: 34% 2. Australia: 33% 3. United States: 12% 4. New Zealand: 7%	Australia & New Zealand are traditional suppliers. Brazil competes in the frozen	Singapore does not produce beef.

		beef segment.	
Pork and Pork Products Net Imports: \$377 million	<ol style="list-style-type: none"> 1. Brazil: 38% 2. Australia: 13% 3. Netherlands: 10% 4. Spain: 10% 5. China: 9% 6. Germany: 5% 7. United States: 4% 	<p>Brazil dominates the frozen segment.</p> <p>Australian pork dominates the fresh/chilled market.</p> <p>U.S. processed pork is growing in popularity.</p>	Live pigs from Indonesia are imported and slaughtered. Majority of the locally slaughtered meat is sold at wet/traditional markets and supermarkets.
Poultry Meat and Products Net Imports: \$400 million	<ol style="list-style-type: none"> 1. Brazil: 53% 2. Thailand: 25% 3. United States: 8% 4. Malaysia: 6% 	Brazilian poultry is currently price competitive in the Singaporean market.	Malaysian live chickens are imported and processed in-country.
Seafood Products Net Imports: \$994 million	<ol style="list-style-type: none"> 1. Malaysia: 15% 2. China: 13% 3. Vietnam: 12% 4. Indonesia: 10% 5. Norway: 7% <p>United States: 2% (\$15 million)</p>	ASEAN countries and China dominate the market. Fresh/chilled prawns, live crabs, frozen cuttlefish, and squid are key products.	90% of seafood is imported. The remainder is supplied by sea-based Singaporean aquaculture operations.
Dairy Products Net Imports: \$1.04 billion	<ol style="list-style-type: none"> 1. New Zealand: 27% 2. Australia: 14% 3. United States: 9% 4. Thailand: 8% 	Australia and New Zealand are traditional suppliers.	Local/regional dairy companies have strong brand/name familiarity.
Fresh Fruit Net Imports: \$548 million	<ol style="list-style-type: none"> 1. United States: 14% 2. China: 14% 3. Malaysia: 12% 4. Australia: 11% 	Top U.S. fresh fruits in the Singapore market include grapes, oranges, strawberries and apples.	Singapore produces very little fresh fruit.
Processed Fruit Net Imports: \$137 million	<ol style="list-style-type: none"> 1. China: 20% 2. Indonesia: 13% 3. United States: 11% 4. Malaysia: 11% 	U.S. processed fruits are very popular; some are repacked and sold as private local brands.	Singapore is not a significant producer of processed fruit.
Tree Nuts Net Imports: \$165 million	<ol style="list-style-type: none"> 1. Indonesia: 36% 2. Malaysia: 18% 3. United States: 13% 4. China: 7% 	Along with cashews from neighboring countries, U.S. nuts are very popular. Some are repacked and sold under local brands.	Singapore is not a major producer of edible nuts.
Wine and Beer Net Imports: \$703 million	<ol style="list-style-type: none"> 1. France: 53% 2. Australia: 11% 3. China: 6% 4. Italy: 4% 5. United States: 3% 	France dominates the premium wine market. U.S. wines are popular.	Singapore does not produce wine. Asia Pacific Breweries (APB), Singapore's largest beer manufacturer, dominates the beer market.

Source: Trade Data Monitor

SECTION IV. BEST PROSPECTIVE U.S. PRODUCTS FOR THE SINGAPORE HRI MARKET

U.S. Products	2020 Singapore Total Import Value (million USD)	2020 Total Import Value from the United States (million USD)
Food Preparations	\$673	\$123
Dairy Products	\$1,037	\$89
Fresh Fruit	\$548	\$78
Processed Vegetables	\$319	\$66
Bakery Goods, Cereals & Pasta	\$504	\$32
Beef & Beef Products	\$270	\$31
Poultry Meat & Products	\$400	\$31
Tree Nuts	\$165	\$22
Wine & Beer	\$703	\$22
Pork and Pork Products	\$377	\$15

Source: Trade Data Monitor

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

A) USDA Foreign Agricultural Service Singapore
 Office of Agricultural Affairs
 American Embassy Singapore
 27 Napier Road
 Singapore 258508
 Tel: (65) 6476-9120 Fax: (65) 6476-9517
 Email: AgSingapore@fas.usda.gov

B) U.S. Dairy Export Council
 20 Martin Road
 Seng Kee Building, #08-01
 Singapore 239070
 Tel: (65) 6230 8550 Fax: (65) 6235 5142
 Contacts: Dalilah Ghazalay, Regional Director, SEA Marketing & Operations
 Email: dali@dairyconnect.biz

C) U.S. Grains Council
 50 Jalan Dungun Damansara Heights
 Kuala Lumpur, Malaysia
 Tel: (60) 3 2093 6826 Fax: (60) 3 2273 2052
 Contact: Manuel Sanchez, Regional Director—South & Southeast Asia
 Email: usgckl@usgc.com.my

D) U.S. Meat Export Federation
627 Aljunied Road, #04-04 Biztech Centre
Singapore
Tel: (65) 6733 4255 Fax: (65) 6732 1977
Contact: Sabrina Yin, Regional Director
Email: singapore@usmef.com.sg

E) USA Poultry and Egg Export Council
541 Orchard Road, #15-04 Liat Towers
Singapore
Tel: (65) 6737 1726 Fax: (65) 6737 1727
Contact: Margaret Say, Regional Director
Email: usapeec_sing@pacific.net.sg

F) Raisin Administrative Committee, Food Export-Midwest, Food Export-Northeast, and the Western United States Agricultural Trade Association
48 Toh Guan Road East, #02-129 Enterprise Hub
Singapore
Tel: (65) 6515 6113 Fax: (65) 6278 4372
Contact: Richard Lieu and Chuah Siew Keat
Emails: richardlieu@lieumktg.com.sg; siewkeat@lieumktg.com.sg

G) U.S. Soybean Export Council
541 Orchard Road, #11-03 Liat Towers
Singapore
Tel: (65) 6737 6233 Fax: (65) 67375849
Contact: Timothy Loh, Director
Email: TLoh@ct.ussec.org

H) U.S. Wheat Associates
541 Orchard Road, #15-02 Liat Towers
Singapore
Tel: (65) 6737 4311 Fax: (65) 6733 9359
Contact: Matt Weimar, Regional Vice President for South Asia
Email: InfoSingapore@uswheat.org

Resources/References: Singapore Food Agency: www.sfa.gov.sg
Department of Statistics: www.singstat.gov.sg
Singapore Government: www.gov.sg

Attachments:

No Attachments